

Utah Committee of Consumer Services

Your Residential and Small Commercial Utility Consumer Advocate

Quarterly Newsletter

Utah Department of Commerce



Special points of interest:

- *Energy Savings Settlement*
- *Phone Tax Refund*
- *Home Energy Assistance*
- *Western Electricity Supply*

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Committee, Questar Gas Settlement Allows Energy Conservation Pilot Program to Proceed

The Committee of Consumer Services (Committee) reached a settlement with Questar Gas Company that allows the utility to proceed with a three-year pilot program to identify and implement cost-effective natural gas conservation programs for its customers. The objective of the program is to encourage conservation measures that will not only reduce consumption but produce dollar savings for customers, as well. The settlement must be approved by the Utah Public Service Commission (Commission).

The Committee strongly supports energy conservation but initially opposed the Utility's proposed pilot program because it would transfer the

business risk of declining revenues from the Utility's shareholders to its customers. The Committee views such a transfer of risk as a fundamental change in utility regulation that should only be considered and effected at the time of a general rate case proceeding before the Commission—when the effects of such a change can be fully evaluated.

The settlement the Committee reached with Questar Gas Co. requires the Utility to implement cost effective conservation measures this 2006-07 heating season. But, it limits the risk of declining utility revenues that can be transferred to ratepayers in the first year to one percent of the

Utility's total annual general service revenues. It also reserves the right for the Committee or other parties to initiate a general rate case.

In addition, the settlement calls for a Commission evaluation after the first year of the pilot program to ensure the program is moving ahead according to plan. At that time, consideration will be given to alternative regulatory mechanisms that would continue to motivate the Utility to encourage lower natural gas consumption but not require the transfer of risk to ratepayers, which its revenue assurance or full decoupling mechanism effects.

IRS to Refund Telephone Excise Tax

Consumers can claim a standard \$30 to \$60 refund next year for an excise tax on long-distance telephone calls that the government declared invalid.

On September 1, 2006, the Internal Revenue Service an-

nounced it will add a line to the 2006 tax returns mailed next spring, enabling individuals to claim the refund. The tax agency will also create a special form for people not otherwise required to file tax returns, so

they can request their money back.

The Treasury Department has said it expects to return \$13 billion to consumers, including businesses and other organizations.

Beware of Vampire Power

According to energy experts, about 5 to 10 percent of a home's electricity is used by appliances that are in standby mode. That could mean a \$40 to \$90 annual savings on an electric bill if consumers took action to reduce this unnecessary loss of electricity — referred to as vampire power.

Standby mode occurs when some products are not in use but are still plugged into an electrical outlet while the power is recharging a battery or waiting to be turned on by remote control. Consumers can help to control or eliminate vampire power by becoming aware of which appliances are in standby mode when they are not in use. Here are some tips to help control the amount of power being wasted through some commonly-used appliances:



- Monitor the charging of products like cell phones and digital camera batteries to ensure that their AC adaptors are only plugged in when they are recharging. Many products have a light or power bar that indicates when the batteries are fully charged (for example, a red light may change to green.)
- Shut down a computer instead of only "logging off." Turn off the monitor instead of letting it sit in "sleep mode."
- Consider unplugging electronic products that have a standby mode when away from home for several days or more.
- Consumers using power strips may find it convenient to simply switch off the strip to help eliminate vampire power coming from multiple appliances.
- When purchasing new appliances, consumers should be sure to consider energy efficient appliances. The Energy Star logo is used to designate products that meet or exceed federal efficiency standards. Appliances with the Energy Star logo may cost more money, but many will save consumers money over the life of the product. The U.S. Department of Energy estimates that approximately \$25 million will be saved by 2008 through the purchasing of products that use minimal amounts of standby power.

How Adequate is Western Electricity Supply?

The most recent assessment of the adequacy of western electricity supply by the Western Electricity Coordinating Council (WECC) shows a need for new generation and/or transmission resources if reliable electricity service is to be maintained. While the North-western United States has a surplus of generation capacity, the existing transmission system is not adequate to deliver this power to other areas in the west that will be facing deficits in the next year or two, if new resources are not built.

The study includes Utah, Idaho, and northern Nevada in the surplus Northwest. However, the study also indicates that constrained transmission may not allow power from Washington, Oregon, or Montana to be deliv-

ered to Utah, Idaho, or Nevada. The Committee of Consumer Services is working with the WECC and others to improve the reporting of this information and better determine the resource adequacy of the Utah region.

WECC is the organization that oversees the reliability of the interconnected transmission system that extends from Alberta and British Columbia in the north to parts of Baja, Mexico in the south and includes all or part of the seventeen western states in between. Because of the physics of electricity, a problem in San Diego or California can blackout cus-

tomers in Utah. The purpose of the organization is to minimize the possibility of a large blackout, such as the one experienced in the eastern United States two summers ago.



Through WECC, utilities, marketers, consumers, and regulators collaborate to develop fair rules to minimize the possibility that a widespread outage will occur. The Committee is a member of the WECC and is represented on the WECC Board of Directors. The WECC Board includes representatives from Canada, Mexico and the United States, as well as from utilities, marketers, electricity users, and regulators.

The 2006-07 Heating Season—Are You Ready?

\$\$\$ Saving Energy Tips and Home Energy Assistance

\$\$\$ Saving Tips—During this coming heating season, there are things you can do to conserve energy without spending a dime.

- Set your normal setting for heat at 60 degrees at night and you will use 30 percent less than if at 68 or higher.
- Open your drapes or blinds to let the sun shine in during the day and close them at night. If you don't have double-pane windows, add another layer of fabric to the

window. The extra fabric will keep the heat in and the chill out.

- If you have ceiling fans, flip the switch. A clockwise motion will help push the warm air down away from the ceiling.

Home Energy Assistance—If you need financial assistance in paying your utility bill, you may be eligible for the HEAT program.

The HEAT program is Utah's version of the federal LIHEAP program (Low Income Home Energy Assistance

Program). It is designed to assist eligible households to meet the rising costs of home heating by either electricity or natural gas. **You may apply for assistance anytime between November 1, 2006 and the end of April, 2007.** The program is administered by the Utah State Department of Community and Culture (DCC). You can obtain more information about the HEAT program and other assistance programs by contacting DCC. For home energy assistance, call toll free: **1-866-205-4357.**

Do You Know???

Do you know the Committee of Consumer Services represents you, the utility consumer?

- The Committee evaluates the impact of utility rate changes and other regulatory actions on residential and small commercial consumers.
- The Committee assists residential and small business consumers in

appearing before the Utah Public Service Commission (Commission).

- The Committee advocates positions most advantageous to a majority of residential consumers before the Commission.
- The Committee meets regularly to discuss utility matters with the public. Meeting date, time, place

and agenda may be accessed on the Committee's Web site at: **www.ccs.utah.gov**

CONTACT THE COMMITTEE IF YOUR GROUP WOULD LIKE TO BE EDUCATED ON A UTILITY ISSUE.

**CALL OR EMAIL US AT:
801-530-6674
CCS@UTAH.GOV**

Committee Update

Governor's Search for Committee's New Director Continues On—Utah Governor Jon Huntsman, Jr. has re-opened the search for a new director for the Committee. During the Committee's September 12th public meeting, Committee Chair Dee Jay Hammon expressed his disappointment that a name had not been submitted to the Committee for



Dee Jay Hammon

consideration. "From my perspective, the Committee, and especially its staff, deserve a good leader and not a lengthy, drawn out selection process," said Dee Jay Hammon.

A nation-wide search to find a staff director began last March after Leslie Reberg resigned. From the initial search there were 34 applicants, which have all been rejected. The new search will ask for candidates with a background in "consumer and public advocacy experience," said Search Committee Chair Francine Giani.

The Committee Reaches Out to Utah Seniors — Committee staff met with AARP Director Robert Ence, Laura Polacheck, and Tom Forsgren to discuss seniors' concerns regarding rising utility rates. The Committee continues to work hard to stabilize utility rates.





Utah! Committee of Consumer Services

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ARE YOU ELIGIBLE FOR LOW-COST TELEPHONE SERVICE?

UTAP is a program to assist eligible households with their monthly basic local telephone service. The program provides a monthly discount of about \$13.00 to low-income customers on their primary land line only. Currently cellular phones are not eligible for UTAP. The program is funded through state and federal funds and is now being administered by the Utah Department of Community and Culture (DCC). The discount is applied to basic local telephone service only, but does not prohibit a customer from choosing additional features. There are no resources available to help with long distance calling charges.

Who is eligible for UTAP? There are two ways to qualify:

1. Your total household income must be at or less than 135% of

the federal poverty level (\$1,485 monthly income for a household of two); or

2. You or someone living in your household receives benefits from one of the following programs: Food Stamps, General Assistance, Head Start, HEAT, HELP, Medicaid, National Free School Lunch Program, Public Housing Assistance, Refugee Assistance, Supplemental Security Income (SSI), or Temporary Assistance to Needy Families (TANF).

How do I apply for UTAP? Call the State of Utah, UTAP Program at 801-538-8793 (toll free 800-948-7540) and request an application or apply online: <http://community.utah.gov>—click on Housing & Community Development.

The Committee of Consumer Services is a Utah state governmental agency that represents the interests of small business owners, farmers and ranchers, and residential consumers of natural gas, electric, and telephone utilities.

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